

**DAMON R. TALLEY, P.S.C.**

112 N. LINCOLN BLVD.  
P.O. BOX 150  
HODGENVILLE, KENTUCKY 42748

TEL. (270) 358-3187  
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DAMON R. TALLEY

ATTORNEY AT LAW

May 31, 2006

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, KY 40602

RECEIVED

JUN 01 2006

PUBLIC SERVICE  
COMMISSION

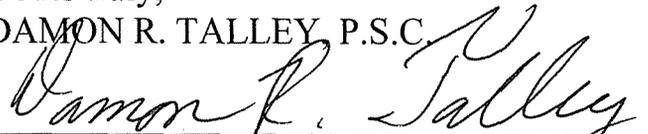
RE: Pearson Complaint  
PSC Case No. 2006-00183  
Garrard County Water Association, Inc.

Dear Ms. O'Donnell;

Enclosed for filing are the original and ten (10) copies of the Answer which is being filed on behalf of Garrard County Water Association, Inc.

Yours truly,

DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY, ATTORNEY FOR  
GARRARD COUNTY WATER  
ASSOCIATION, INC.

DRT:ms

Enclosures

cc: Garrard County Water Association, Inc.  
Edgar Alan Pearson

6/GCWA/O'Donnell 5-31-06

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION **RECEIVED**

In the Matter of:

**JUN 01 2006**

**PUBLIC SERVICE  
COMMISSION**

EDGAR ALAN PEARSON )

)

COMPLAINANT )

v. )

) CASE NO. 2006-00183

GARRARD COUNTY WATER )

ASSOCIATION, INC. )

)

DEFENDANT )

**ANSWER TO COMPLAINT**

Comes the Garrard County Water Association, Inc. (“Garrard Water”), by Counsel, and for its Answer to the Complaint filed by Edgar Alan Pearson (“Edgar Pearson”) states as follows:

1. On August 10, 2005, Alan L. Pearson, the father of the Complainant, Edgar Pearson, requested Garrard Water to investigate the feasibility and cost of constructing a water line extension to provide service to his property located on White Lick Road in eastern Garrard County (See **Exhibit 1**). Along with this request, Alan L. Pearson presented a preliminary plat of the proposed subdivision (See **Exhibit 2**).

2. On August 18, 2005, after Garrard Water finished the requested water line extension investigation, it mailed a detailed cost estimate and extension layout to Alan L. Pearson (See **Exhibit 3**). This layout would provide water service to all of the subdivided lots as well as the remainder of the property.

3. On August 22, 2005, Alan L. Pearson filed in the Garrard County Clerk's Office the final plat of the subdivision. The plat is of record in Plat Cabinet 4, Slide 22 of said office (See **Exhibit 4**). The plat established three (3) initial lots or tracts and a dedicated fifty (50) foot roadway. It also shows the balance of the undeveloped land owned by Alan L. Pearson.

4. On November 4, 2005, Alan L. Pearson sold Tract "A" of the subdivision to his son, Edgar Pearson. The Deed is recorded in the Garrard County Clerk's Office in Deed Book 235, Page 372.

5. The subdivision developer, Alan L. Pearson, took no further action on the proposed water line extension until March 22, 2006 when he requested that the plans for the water line extension be submitted to the Division of Water for approval. Garrard Water then forwarded the plans to the Division of Water. By letter dated March 28, 2006, the Division of Water approved said plans (See **Exhibit 5**).

6. Garrard Water has an established policy concerning extension of water mains to serve subdivisions. That policy is contained in the Rules and Regulations which have been adopted by the Board of Directors of Garrard Water and approved by the Commission. See Sheet No. 4 which defines “New Subdivision” and Sheet Numbers 7-9 which set forth the procedure for extending water service to “New Subdivisions”. A copy of these sheets are attached hereto as **Exhibit 6** and incorporated herein by reference.

7. The Complainant, Edgar Pearson, owns Tract A of a new subdivision that is not presently served by a water line.

8. Garrard Water is ready, willing and able to provide water service to the Pearson Subdivision, including Tract A of that subdivision (Edgar Pearson’s lot), as soon as the developer of the subdivision (the Complainant’s father) complies with Garrard Water’s New Subdivision Rules and Regulations.

9. At present, the subdivision developer appears to have lost interest in getting water service to his subdivision, including the lot owned by his son, Edgar Pearson.

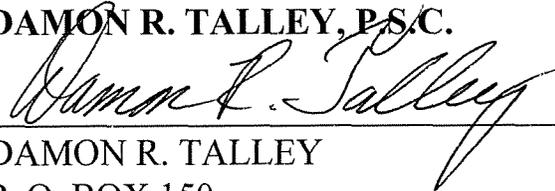
10. The Complainant, nor anyone else, should not expect Garrard Water’s existing customers to pay the cost of extending a water main to serve the Pearson Subdivision. The subdivision developer should “front” the cost of

providing water service to the subdivision lots. The developer can then recover this cost, along with other development costs, from the sale of lots. In addition, the developer will be refunded a portion of the cost of the water line as other persons connect to the water line.

For the foregoing reasons, Garrard Water respectfully requests the Public Service Commission to dismiss the Complaint filed by Pearson.

Respectfully submitted,

**DAMON R. TALLEY, P.S.C.**



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DAMON R. TALLEY

P. O. BOX 150

HODGENVILLE, KY 42748-0150

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[drtalley@alltel.net](mailto:drtalley@alltel.net)

ATTORNEY FOR GARRARD COUNTY  
WATER ASSOCIATION, INC.

**CERTIFICATE OF SERVICE**

This is to certify that I have mailed a true copy of the foregoing pleading  
this 31<sup>st</sup> day of May, 2006, to the following:

Edgar Alan Pearson  
2008 Greentree Dr.  
Richmond, KY 40475

Harold C. Ward, President  
Garrard County Water Association, Inc.  
PO Box 670  
Lancaster, KY 40444-0670

  
DAMON R. TALLEY



EXHIBIT 1

REQUEST

I, Alan Pearson am requesting that The Garrard County Water Association do an investigation of a water line extension to extend service to my property located at White Lick Road. I am making a deposit in the amount of \$150.00 to pay the initial expense for the requested investigation.

/s/ Alan L. Pearson

Date: 8-10-05

Phone(s) (859) 624-0643

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2008 Green Tree DR  
Richmond







EXHIBIT 3

GARRARD COUNTY WATER ASSOCIATION

P.O. BOX 670 315 LEXINGTON ROAD

LANCASTER, KY 40444-0670

(859) 792-4501 TTY: 800-648-6056

FAX: (859) 792-1671

Letter of Transmittal

To: Mr. Alan Pearson Date: August 18, 2005  
2008 Greentree Dr. Re: Proposed White Lick Road  
Richmond, Ky, 40475 Waterline extension

The following is attached:

\_\_\_\_\_ Prints \_\_\_\_\_ Shop Drawings \_\_\_\_\_ Plans \_\_\_\_\_ Other  
 \_\_\_\_\_ Specifications \_\_\_\_\_ Copy of Letter  Information Requested

No. Copies	Description
1	Cost Estimate
1	detailed layout

Remarks: If you have questions, give us a call at  
800-203-0557. We shall proceed only after hearing  
from you.

cc: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signed:   
 Harold C. Ward  
 President/Executive Director

EXHIBIT 3 cont.

GARRARD COUNTY WATER ASSOCIATION

PROJECT COST ESTIMATE  
FOR  
WHITE LICK ROAD-PEARSON  
WATERLINE EXTENSION

AUGUST 17, 2005

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1.	Construction Cost Estimate	\$10,809.00
2.	Engineering	
	Design, Drafting and Plans	540.00
	Plan Review (state fee)	150.00
	Project Mgt. and Construction Observation	1,000.00
3.	Legal and Administrative	200.00
4.	Contingency	500.00
	<b>TOTAL</b>	<b>\$13,199.00</b>







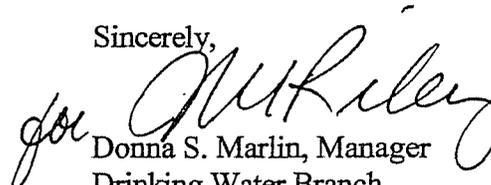
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION**Ernie Fletcher**  
GovernorDivision of Water  
14 Reilly Road  
Frankfort, Kentucky 40601-1190  
www.kentucky.gov  
March 28, 2006**LaJuana S. Wilcher**  
SecretaryHarold C. Ward, President  
Garrard County Water Association  
P.O. Box 670  
315 Lexington Road  
Lancaster, KY 40444Re: Garrard County Water Association  
AI No. -33882  
DW No. 0400151-06-004  
Pearson-White Lick Road Extension  
Activity ID: APE200560004  
Garrard County

Dear Mr. Ward:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 650-feet of 3-inch PVC waterline. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the enclosed waterline extension construction permit.

If you have any questions regarding this decision, please contact Shanaka Ewing, at (502) 564-2225, extension 529.

Sincerely,

  
Donna S. Marlin, Manager  
Drinking Water Branch  
Division of WaterDSM/SCE  
EnclosureCC: Gastineau & Associates  
Garrard County Health Department  
Public Service Commission  
Division of Plumbing



FOR Entire Area Served

P.S.C. KY. NO. 2

SHEET NO. 4

Garrard County Water Association, Inc.

CANCELLING P.S.C. KY. NO. 1

SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

Service Commission or assessed by other regulatory authorities. The cost of an extension includes the costs for both on-site facilities and off-site facilities as defined below in this section.

2. The term "new subdivision" as used herein shall mean any new subdivision or residential and/or commercial lots for which a plat has been filed in the county clerk's office and the subdivider has or will construct roads or streets as public roadways to said lots.

3. The term "lot" as used herein shall mean any plot of ground laid out for building purposes.

4. The term "on-site facilities" as used herein shall include only those water mains with related fixtures and other facilities, if any, to be installed and located wholly within the boundaries of the property to which service is to be extended.

5. The term "off-site facilities" as used herein shall include all water mains with related fixtures and other facilities, if any, to be installed and located outside of the boundaries of the property to which service is to be extended, as said boundaries are depicted on plat of record; in order to deliver an adequate supply of water from existing mains of the Company to the new subdivision or prospective Customer.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DEC 12 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

DATE OF ISSUE	<u>Nov 10 1997</u>	DATE EFFECTIVE	_____
	Month Day Year	Month Day Year	
ISSUED BY	<u>[Signature]</u>	Title	<u>President</u>
	Name of Officer		<u>Lancaster, KY</u>
			Address

Garrard County Water Association, Inc.

P.S.C. Ky. No. 2

Original Sheet No. 7

Cancelling P.S.C. Ky. No. 1

Second Revised Sheet No.     

RULES AND REGULATIONS

C. Main extensions for new subdivisions:

1. When an extension of the Company's water mains is requested to be extended into a subdivision, the owner of that subdivision shall submit six (6) copies of the plat as filed in the county clerk's office to the Company with a written request that water service is requested to the property. The proposed extension shall be handled in the following manner:

I. The subdivision owner shall submit the plats as required above, along with adequate monies to pay for administrative costs, the preliminary engineering work, and a preliminary cost estimate for the construction of the water mains and associated facilities, if any, to include on-site facilities, off-site facilities, if any, engineering costs, legal costs, and administrative costs. When the estimate is completed and presented to the prospective developer, he or she may then decide to proceed or not proceed with the construction.

II. If the subdivider decides to proceed with the water main, extension after reviewing the preliminary costs, the Company will have final plans and specifications prepared. A current estimated cost figure will be rendered to the subdivider showing the cost of on-site facilities and off-site facilities, if any.

III. Before construction, the subdivider will pay the Company the current estimated cost. The Company will solicit bids from responsible contractors and select the bid that is found most appropriate. The Company shall reserve the exclusive right to select the contractor. If no

AUG 1 1990

RECEIVED

DATE OF ISSUE June 19, 1990

DATE EFFECTIVE August 1, 1990

ISSUED BY Hafold C. Ward

TITLE: President

FOR Entire Area Served

P.S.C. KY. NO. 2

SHEET NO. 8

Garrard County Water Association, Inc.

CANCELLING P.S.C. KY. NO. 1

SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

bid is not received at or below the current estimated cost further bids may be solicited or the subdivider may pay to the Company monies adequate to pay the difference of the low and acceptable bid and the current estimated cost.

- IV. Actual construction cost for the extension will be calculated on a "line-item" basis. Other costs associated with the extension will be calculated on an "as incurred" basis. When the construction project is finished, the subdivider will be required to pay any cost above their initial payment for the extension or be refunded any balance not used for the extension.
- V. Actual construction will be observed and supervised by a resident inspector as required.
- VI. Before waterlines will be laid hereunder in any new subdivision, it is understood and agreed that the road surface shall be brought to the established sub-grade; and the developer or builder of such new subdivision shall furnish the Company with a right-of-way agreement suitable in form to the Company, unless the streets of the new subdivision have been dedicated to the public use or suitable utility easements provided by plat.
- VII. Company shall have the exclusive right to determine the type, location and size of mains to be installed and of the related facilities required to render adequate service.
- VIII. For each premise served for which a street service connection shall be directly attached to such main extension between its original beginning and original terminus, excluding connections to further extensions or branches thereof, and crediting no more than one such service connection per building plot, the Company shall refund to the owner of such subdivision on an annual basis an amount equal to fifty (50) feet of the average cost per foot of the construction to include both on-site and off-site costs. However, if off-site

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE Nov 10 1997  
Month Day Year

DATE EFFECTIVE DEC 12 1997  
Month Day Year

ISSUED BY [Signature]  
Name of Officer

President  
Title

Lancaster, KY  
BY: [Signature]  
SECRETARY OF THE COMMISSION

PURSUANT TO 807 KAR 5:011, SECTION 9(1)

Garrard County Water Association, Inc.

P.S.C. Ky. No. 2  
Original Sheet No. 9  
Cancelling P.S.C. Ky. No. 1  
Second Revised Sheet No.     

RULES AND REGULATIONS

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cost consist of piping and fixtures parallel to an existing distribution main and therefore creates no new service area, those off-site costs shall be calculated separately and refunds paid as perscribed above only if new services are connected to the new parallel pipe.

IX. The owner of such subdivision, in consideration of an accelerated development of said subdivision to be obtained through Company's proceeding, on the basis of a preliminary plat, with its plans and specifications and at Company's option, with construction of its mains and facilities, shall warrant to Company that the location and grade of streets, curbs, sidewalks, building plots, building lines and utility easements as depicted on said preliminary plat will not be altered or changed in any respect in the final plat of said subdivision or part thereof and recorded in the Office of the Clerk of the Garrard County Court. In the event the location or grade of streets, sidewalks, curbs, building plots, building lines or utility easements be altered, amended or changed in a final plat or in an amended plat of said subdivision, whether such changes are made with or without the consent of said subdivider, and in the event such alteration, amendment of change requires, in the sole judgment of the Company, the re-location, removal, replacement, reconstruction, change in site or additions to the mains and related facilities, the subdivider shall indemnify and hold harmless Company of and from any and all damages and costs of such removal, replacement, relocation, reconstruction and any and all other expenses or costs resulting to Company because of the change of location or grade of streets, curbs, sidewalks, lots, building lines or utility easement in said subdivision or part thereof.

AUG 1 1990

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DATE OF ISSUE June 19, 1990 DATE EFFECTIVE August 1, 1990  
ISSUED BY Harold C. Ward TITLE: President